

1 AFTERNOON SESSION (1:54 p.m.)

2 MR. LERNER: Before we start on issues C6  
3 and C17, I just want to note I think in the schedule  
4 that we have, we may have given Mr. Smith is only  
5 available today; is that right?

6 MR. SMITH: Yes.

7 MS. NEWMAN: Yes.

8 MR. LERNER: He's also involved in issue  
9 C21 and C34, that we may flip-flop that one with  
10 issue C16, just to make sure if we run over, it  
11 won't be on something that he needs to be here.

12 MS. NEWMAN: Thank you. Thank you very  
13 much.

14 MR. LERNER: We will now get started on  
15 issue C6, which both sides have waived  
16 cross-examination, but Staff has some questions.

17 Mr. Clift has already been sworn in and  
18 introduced. If you want to introduce yourself and  
19 the court reporter will swear you in.

20 MR. GREEN: Sure, I'm William Green, I'm a  
21 senior product manager with Verizon, doing E911.  
22 Whereupon,

1 WILLIAM GREEN

2 was called as a witness and, having first been duly  
3 sworn, was examined and testified as follows:

4 MR. KOERNER: Mr. Green, I had a question  
5 for you about your rebuttal testimony, page 4, lines  
6 9 through 12, where you say that Verizon's costs do  
7 not increase simply because Cav does not provide  
8 support to central offices, Verizon's E911 tandem,  
9 Verizon must still provide -- could you explain to  
10 me how Verizon is providing a transport service for  
11 a call that Cavalier transports to the Verizon E911  
12 tandem?

13 MR. GREEN: Well, Verizon -- I would have  
14 to -- what page was that in my rebuttal?

15 MR. KOERNER: Page 4, lines 9 through 12  
16 of your rebuttal.

17 MR. GREEN: Yes. All I'm essentially  
18 saying there is that we provide transport from our  
19 own end offices -- not from Cavalier's end office  
20 but from our own end offices, into the E911 tandem.  
21 At the E911 tandem, what we do is take all of the  
22 calls from our own end offices, as well as all of

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1 the other CLEC offices, including Cavalier's. We  
2 consolidate them and we send them on to the PSAP  
3 from there.

4 MR. KOERNER: So you're not saying you are  
5 incurring a cost for the portion of that call that  
6 Cavalier is transporting?

7 MR. GREEN: Oh, no.

8 MR. KOERNER: Okay, that's all.

9 MR. LERNER: Anybody else have any  
10 questions?

11 MS. NATOLI: I'm not sure what specific  
12 provision of your testimony it is, that's why I was  
13 looking for it, but Verizon says that it cooperates  
14 with Cavalier to make -- to provide information to  
15 the PSAPs or to give Cavalier information necessary  
16 to contact the PSAPs.

17 Does that -- does your view of that  
18 cooperation include providing information about what  
19 parts of the network you all provide or how calls  
20 traverse your network, and then -- or come from  
21 Cavalier's network to your network and then to the  
22 PSAP, such that the PSAP clearly understands, you

1 know, that there really are two carriers involved,  
2 where the customer originates and that quite  
3 possibly it does originate over facilities that  
4 Cavalier has dedicated to 911?

5 MR. GREEN: Let me try to answer the  
6 question. What we have is we have a whole  
7 organization that's set up to support each one of  
8 the states. There are service managers, and when  
9 needed, the service managers intervene on behalf of  
10 the CLECs. That happens many times but it hasn't  
11 happened so often recently, because people are much  
12 more aware of what the requirements are.

13 When that statement was put in originally  
14 into the interconnection agreement, it was when we  
15 were all starting out. And at that time, we did  
16 accompany CLECs many times, just to -- PSAPs, excuse  
17 me, just to explain to them what the relationship  
18 was and how a CLEC would interconnect with us and  
19 how that would then lead into our network, go  
20 through our database, and the call would ultimately  
21 end up in the PSAP's hand with the information  
22 that's needed.

1 MS. NATOLI: Okay. And I guess just as a  
2 follow-up to that, what is it that you understand  
3 Cavalier to be asking for in their cooperating with  
4 you, you know, to work with the PSAPs, just with  
5 respect to resolving payment disputes?

6 MR. GREEN: Yeah, my interpretation is  
7 just that, yes, that what they're asking us to do is  
8 to go in with them and support their own costs and  
9 rate bases for the services that they provide. And  
10 I think the important thing to remember here is that  
11 we deal with literally thousands of CLECs and we  
12 deal with thousands -- literally thousands of PSAPs,  
13 and in all cases, we support our own rates, through  
14 either contracts or tariffs in the individual  
15 jurisdictions. It would be a very, very difficult  
16 task for us to go in and support everybody else's  
17 rates, and we simply wouldn't have the knowledge to  
18 do that.

19 MS. NATOLI: Cavalier, when you're asking  
20 for this kind of cooperation, what is it that you're  
21 envisioning, aside from the -- what the original  
22 provision was there for, just to make the initial

1 contacts with the PSAP to know which one was the  
2 appropriate one to deal with? What is it that  
3 you're asking them specifically to do?

4 MR. CLIFT: Well, foremost, I think it's  
5 important to let the PSAPs know that we're providing  
6 911 services in tandem with Verizon, and that we're  
7 both each an essential partner in the provisioning  
8 of that service, so they -- the PSAPs understand  
9 exactly which carrier is performing which functions.  
10 So that's more or less on the technical side.

11 And then on the compensation side, to sit  
12 down and explain with the PSAPs how the billing is  
13 going to work for those associated functions and  
14 services that each of the parties are providing, and  
15 if the PSAPs have any questions with respect to that  
16 and any concerns with respect to any potential  
17 double-billing situations for duplicate functions  
18 that may arise, that we can address those questions  
19 and find a resolution, as opposed to conflict.

20 MS. NATOLI: And do you not have these  
21 arrangements with the PSAPs governed by agreements  
22 with them or written documents? Is that not

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1 required with PSAPs in Virginia?

2 MR. CLIFT: Cavalier doesn't have any  
3 written individual contracts with any of the PSAPs.  
4 We do have a 911 tariff.

5 MS. NATOLI: Right.

6 MR. CLIFT: That's in lieu of individual  
7 contracts we have.

8 MS. NATOLI: And this is for both of you.  
9 Is that the typical way that a CLEC in Virginia  
10 deals with 911, with the PSAPs? I ask that because  
11 in some jurisdictions, you're required to have an  
12 agreement, each person with the PSAP. But it sounds  
13 like Virginia is not such a state. Do you, Verizon,  
14 have an agreement, particular agreements with the  
15 PSAPs that govern your relationship?

16 MR. GREEN: I'm not sure whether we have a  
17 particular agreement that governs it, but we do have  
18 tariffs in the state.

19 MS. NATOLI: Okay. Then probably you  
20 don't. Okay. That's all I have.

21 MR. LERNER: Okay.

22 MR. GREEN: May I offer one other point?

1 MR. LERNER: Okay.

2 MR. GREEN: Just to go back to your  
3 question. The particular issue that's being  
4 discussed here is one in which the Virginia SCC has  
5 opened up rulemakings. And I just wanted to make it  
6 clear that all of this is being discussed at those  
7 hearings. In fact, comments were filed last Friday,  
8 and I think we -- both parties agreed that we were  
9 interested in unbundling the services. And I think  
10 that would take care of most of this issue.

11 MS. NATOLI: Okay.

12 MR. LERNER: Anything to add to that?

13 MR. CLIFT: Well, I guess it's already in  
14 my testimony and rebuttal testimony that yes, there  
15 is a proceeding. Yes, Verizon did say that they  
16 would unbundle their services, and Verizon did  
17 mention that in the end game, the 911 price is going  
18 to go up due to the presence of competition in their  
19 comments that they filed, which hopefully is not  
20 going to be the case.

21 But we're faced right now with some  
22 revenue issues. I know with Chesterfield County,



1     there's amounts for Cavalier of roughly \$35,000 that  
2     right now Chesterfield County is deducting from the  
3     Verizon bill. And I don't know if Verizon has  
4     disputed that with Chesterfield or not. Certainly,  
5     today we have some revenue impacts associated with  
6     this in dealing with the PSAPs. So until the  
7     Commission makes that commission and determination  
8     and changes the rules, and changing the rule is one  
9     thing but going through another tariff proceeding  
10    could be another lengthy process. So it may be a  
11    year, two years down the road.

12                 In the meantime, though, we've got an  
13    issue that we're asking the Commission to address.

14                 MR. LERNER: All right. I guess -- do you  
15    want the testimony?

16                 MS. NATOLI: Yes.

17                 MR. PERKINS: Mr. Clift's testimony has  
18    already been moved.

19                 MS. NEWMAN: Verizon would move for direct  
20    testimony of William H. Green, III which was filed  
21    on September 23, 2003 to be accepted into evidence  
22    and marked as Verizon Exhibit Number 5. We would

1 also move into evidence the rebuttal testimony of  
2 William H. Green, III, dated October 9, 2003 and  
3 marked as Verizon Exhibit Number 6.

4 MR. LERNER: So admitted.

5 (Verizon Exhibits 5 and 6 received.)

6 MR. LERNER: Witnesses for issue C17?  
7 Mr. Smith has already testified and has already been  
8 sworn. Do you want to introduce yourself?

9 MR. ZITZ: I'm Mark Zitz with Cavalier  
10 Telephone.  
11 Whereupon,

12 MARK ZITZ  
13 was called as a witness and, having first been duly  
14 sworn, was examined and testified as follows:

15 MR. LERNER: And I believe we are -- it's  
16 Cavalier -- oh, they have waived, never mind. Both  
17 sides have waived, so it's the Staff, and Mr. Maher  
18 will begin.

19 MR. MAHER: I'll start off with some  
20 questions for Cavalier, for Mr. Zitz. In your  
21 affidavit, you give sort of a few specific examples  
22 of some types of problems with improper customer

1 contacts. Does Cavalier have some sort of sense of  
2 the magnitude of this problem or anything beyond  
3 sort of these specific examples you cite?

4 MR. ZITZ: Since I have submitted my  
5 testimony, I am aware of other examples, and they  
6 all follow within the same line. And that is from  
7 my point of view, the retail part of Verizon has  
8 access to customer information for Cavalier's  
9 customers. And I think some good examples of this  
10 fall in the directory organization within Verizon.

11 In addition to the examples I've already  
12 supplied in my testimony, there are other situations  
13 where Verizon will somehow get information that  
14 someone is trying to move their service over to  
15 Cavalier. At that point they make contact with that  
16 customer and they say if you don't pay your  
17 directory contract up front or in full, you won't be  
18 listed in the directory, or they might say -- in the  
19 five examples that I've found, they might say the  
20 directory is closing sooner than the published date,  
21 so therefore you better not do anything, because you  
22 run the risk of not being included in the directory.

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1           In another situation or two other  
2 situations, Verizon intruded on what we call a  
3 win-back. A win-back is a situation where a  
4 customer makes a decision to return to Verizon from  
5 Cavalier; in other words, they want to go back. And  
6 in the two examples that I have, Verizon  
7 circumvented its own win-back process and  
8 essentially took the customer -- took the customers  
9 from Cavalier earlier than the date that they should  
10 have, and it really forced Cavalier to release the  
11 customer back to Verizon sooner than the date.

12           And the problem generated by that is more  
13 than just a paper record change. I mean, it is a  
14 physical activity that affects the customer's dial  
15 tone. So in these two examples, we were fortunate  
16 to be able to prevent the customers from losing dial  
17 tone.

18           I think in my testimony, I made it very  
19 clear that there were some situations involving  
20 CSRs, and I in particular on a particular day  
21 requested information about an Allegiance customer  
22 who was coming over to Cavalier. So I asked

1   somebody to pull information on this and lo and  
2   behold, I got a complete customer listing of every  
3   Allegiance customer or every end user that was  
4   served by a loop that Verizon was leasing to  
5   Allegiance. It was some listing of approximately  
6   6000 customers.

7                   So in the examples that I've just given  
8   you, hopefully I'm demonstrating that the  
9   information is accessible to people who really  
10   shouldn't have a need for it, but they are getting  
11   access to it, and they're using it to the detriment  
12   of Cavalier, and to the detriment of Cavalier's  
13   customers.

14                  MR. MAHER: So in terms of like the CSR  
15   example, that's something that you have experience  
16   with with regard to Allegiance, but have you  
17   observed any instances where, to the extent you  
18   could tell, that Verizon has gotten access to a CSR  
19   through a similar type of problem, or is it just you  
20   don't know how they're getting access?

21                  MR. ZITZ: Well, in this case Verizon  
22   has -- it's Verizon CSR. I guess the point that I

1 was trying to make is I was getting access to their  
2 Allegiance customer database and it was open for  
3 anybody in the CLEC community to get.

4 So it made me question how secure our  
5 records were with Verizon. And if something was  
6 that blatant and the leakage was so prevalent, then  
7 it's no wonder that other customer information  
8 within Verizon is accessible to Verizon employees.

9 MR. MAHER: So your concern is sort of  
10 with regard to that specific issue, is not -- is not  
11 that other CLECs are getting access to this other  
12 information, it's that Verizon retail might have  
13 similar access, is that the --

14 MR. ZITZ: I'm concerned about both.  
15 Another CLEC could obtain information and use it to  
16 go after my customer base, or a Verizon employee  
17 could inappropriately access that information and go  
18 after the Cavalier customer base. This is  
19 information that really should be protected. I  
20 guess I want to ask you, was I clear with my example  
21 there or would you like me to go through --

22 MR. MAHER: No, no, I think that's clear.